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Attorneys for Defendant

UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

|   |   |                            |
|---|---|----------------------------|
| DR MANAGEMENT, LLC, a Delaware          | ) | Case No. 05-1010 MMC       |
| limited liability company; DR           | ) |                            |
| ACQUISITIONS I, LLC, a Delaware limited | ) |                            |
| liability company; DR HOLDINGS, LLC, a  | ) | ORDER RE:                  |
| Delaware limited liability company;     | ) |                            |
| JENNIFER LIN; FREDERICK LIN; and        | ) | JOINT STATUS CONFERENCE    |
| KEVIN LIN,                              | ) | STATEMENT AND MOTION TO    |
|   | ) | CONTINUE STATUS CONFERENCE |
| Plaintiffs,                             | ) |                            |
|   | ) |                            |

V.  
UNITED STATES OF AMERICA et. al.,  
Defendants.

By order dated October 6, 2006, *see Order* [Doc. #18], the Court stayed all proceedings in the above-captioned action pending the outcome of settlement negotiations, required this joint status conference statement, and continued a status conference to February 2, 2007. The parties hereby report on the status of settlement negotiations and request the Court to continue the February status conference.

Pursuant to Magistrate Judge Elizabeth D. Laporte's Order [Doc. #16], plaintiffs submitted a written settlement offer to defendant on September 13, 2006. Since that time, defendant has been processing the offer in accordance with the standard procedures of the Department of Justice. The offer is now being considered by the Tax Division's Office of Review.

In connection with plaintiffs' offer to settle this case, plaintiffs are attempting to resolve issues with the IRS for tax years not in suit that involve transactions related to the one in this case and, in some instances, transactions concerning different parcels of the land. Plaintiffs' and the governments' desire for a global settlement of all related tax liabilities necessitates coordination between plaintiffs, defendant, and the IRS, and therefore will require a longer period than otherwise necessary for negotiations.

While settlement of this case remains only a possibility, the parties have made substantial progress and wish to continue their efforts. In this regard, the parties believe it would be a

1 more efficient use of their resources to focus on settlement rather than attend a status  
2 conference, and therefore believe the case status conference scheduled for February 2, 2007, can  
3 be continued at this time.

4 FOR THE PLAINTIFFS

Cox, Castle & Nicholson LLP

5 Date: January 25, 2007

By s/Robert D. Infelise  
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Attorneys for Plaintiffs

8 FOR THE UNITED STATES

UNITED STATES ATTORNEY


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12 Date: January 26, 2007

By s/Robert J. Higgins  
Robert J. Higgins  
Attorneys for Defendant

15 PURSUANT TO THE PARTIES' JOINT MOTION, IT IS SO ORDERED, and the Status  
16 Conference is CONTINUED to March 30, 2007. A joint status conference statement  
17 shall be filed no later than March 23, 2007.

18 Date: January 29, 2007

  
MAXINE M. CHESNEY  
United States District Judge